



Global Investment Performance Standards

GUIDANCE STATEMENT ON BROADLY DISTRIBUTED POOLED FUNDS

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GUIDANCE STATEMENT ON BROADLY DISTRIBUTED POOLED FUNDS

Introduction

Composites¹ are currently the foundation of the Global Investment Performance Standards (GIPS®), but composites are not appropriate for all investment products. In particular, pooled funds do not fit well into a composite-centric framework. To address this and other concerns, GIPS 2020 is an initiative to make the GIPS standards more universally applicable across all categories of investment products, including pooled funds, and all types of managers. GIPS 2020 is expected to include guidance on the following three components:

1. strategy, where composites are appropriate;
2. product, where a specific product, such as a pooled fund, is being sold; and
3. proprietary, where an asset owner is managing only its own assets.

This Guidance Statement on Broadly Distributed Pooled Funds is a bridge between the 2010 edition of the GIPS standards and GIPS 2020. Because broadly distributed pooled funds do not fit easily into the current composite-oriented framework of the GIPS standards, more clarity is needed regarding the content and distribution of information to prospective pooled fund investors. Providing such clarity is the focus of this Guidance Statement.

Pooled Funds within the Scope of the Guidance Statement on Broadly Distributed Pooled Funds

The pooled funds that are the target of the Guidance Statement on Broadly Distributed Pooled Funds are publicly available pooled investment vehicles that meet the following three criteria:

1. The pooled fund is broadly distributed;
2. There is typically no or minimal contact between the firm marketing the pooled fund and prospective pooled fund investors; and
3. The firm has the ability to influence the pooled fund's official documents or marketing materials.

Broad distribution refers to the fact that the pooled fund is publicly available to multiple investors. There is no minimum number of investors necessary for a pooled fund to qualify as broadly distributed. Examples of broadly distributed pooled funds include mutual funds, open-ended investment companies (OEICs), investment companies with variable capital (ICVCs), unit trusts, and sociétés d'investissement à capital variable (SICAVs). These types of funds may target either institutional or retail investors, or both. Many of these types of pooled funds are subject to local laws and regulations of the jurisdictions where such funds are offered or marketed, such as the Undertakings for Collective Investment in Transferable Securities (UCITS) regulations in the European Union, the Investment Company Act of 1940 and its rules and regulations administered by the US Securities and Exchange Commission (SEC), the Act on Investment Trusts and Investment Corporations in Japan, and the Mutual Fund Regulations, 1996 of the Securities and Exchange Board of India (SEBI), among others.

Keep in mind that this guidance applies to pooled funds for which the typical marketing practice involves no or minimal personal contact between the compliant firm managing and marketing the fund and the prospective pooled fund investor. That does not mean, however, that the pooled fund must be exclusively marketed in that manner in order for this guidance to be applicable. There may be instances in which a

¹A composite is an aggregation of one or more portfolios managed according to a similar investment mandate, objective, or strategy.

pooled fund that meets the criteria specified by this Guidance Statement is presented to prospective pooled fund investors in a one-on-one presentation and, in such scenarios, this Guidance Statement would still apply. The typical practice for marketing the fund is the defining criterion, not the approach used for a specific marketing opportunity. On the other hand, certain types of pooled funds, such as hedge funds, real estate funds, and private equity funds, are complex investment vehicles with a typical marketing practice involving direct discussions between the firm marketing the fund and the prospective investor. In such instances, when the typical marketing practice involves contact between the firm and the prospective investor, the requirements of this Guidance Statement would not apply. Firms must refer to the Guidance Statements on Alternative Investment Strategies and Structures, Private Equity, and Real Estate for guidance on how to apply the GIPS standards to these types of investments. For clarity, funds are not excluded from this Guidance Statement on Broadly Distributed Pooled Funds based purely on the type of assets in which they invest or their perceived level of complexity; rather, they would be excluded if the typical marketing practice involves direct contact with investors, regardless of asset class.

This Guidance Statement is not meant to apply to situations in which a firm is marketing a strategy with a composite that includes a pooled fund, even if the composite contains only the one pooled fund. It applies to situations in which a firm is marketing a specific investment vehicle—that is, a broadly distributed pooled fund—to more than one prospective pooled fund investor.

Firms within the Scope of the Guidance Statement on Broadly Distributed Pooled Funds

Often, many parties are involved in the management, marketing, and distribution of a pooled fund, and this Guidance Statement does not apply to all such parties. Some of the ways entities may be involved with a pooled fund include having responsibility for

- both managing and marketing a pooled fund, sometimes with the involvement of third parties to help with marketing and distribution;
- managing the fund in a sub-advisory capacity, but not for marketing and distributing the fund; and
- marketing and distributing the fund, but not for managing the fund.

This Guidance Statement applies only to firms that manage one or more pooled funds and have the ability to influence official pooled fund documents mandated by regulators or fund-specific marketing material. A firm that manages pooled funds but does not have the ability to influence official pooled fund documents or fund-specific marketing material is not required to comply with this Guidance Statement. For example, a firm hired by another firm to sub-advise a pooled fund is typically not involved in the marketing of the fund and, as a result, would not be responsible for the creation or distribution of marketing material for the fund. In such a situation, the sub-adviser would treat the sub-advised pooled fund portfolio like any other discretionary portfolio rather than following this pooled fund guidance.

Note that a firm is not responsible for pooled fund marketing material created by a third party. The GIPS standards do not impose any specific, additional requirements for a firm to monitor the use of its performance information once that information has been provided to a third party. As in all situations in which a firm's performance information is distributed by a third party, however, the firm should take appropriate measures to ensure that its performance is not misrepresented or used in a misleading fashion.

Purpose of the Guidance Statement on Broadly Distributed Pooled Funds

There are four general reasons for the creation of this Guidance Statement on Broadly Distributed Pooled Funds:

1. Provide clarity to fund managers on what the GIPS Standards require and recommend with respect to pooled funds;
2. Establish a minimum level of information to be provided to prospective pooled fund investors, given the differences in local regulations regarding pooled funds;
3. Emphasize the priority of local laws and regulations; and
4. Provide guidance as to best practices regarding pooled funds, especially for regions that lack robust local regulations regarding pooled funds.

The GIPS standards do not explicitly address the treatment of broadly distributed pooled funds. Firms often include pooled fund assets in total firm assets, yet few provide compliant presentations² to prospective pooled fund investors. At the same time, composite performance that includes multiple portfolios in addition to the pooled fund may not be appropriate to present to prospective pooled fund investors. Many firms are unclear about their responsibilities regarding pooled funds, which has led to inconsistent practices. In addition, certain markets are dominated by broadly distributed pooled funds and, in order to fill a currently unmet need in these markets, it is important that guidance specific to broadly distributed pooled funds be developed.

Provision 0.A.9 of the GIPS standards requires that firms make every reasonable effort to provide a compliant presentation to all prospective clients. A prospective client is defined as any person or entity that has expressed interest in one of the firm's composite strategies and qualifies to invest in the composite strategy. A key question is whether prospective pooled fund investors must receive a compliant presentation.

Guidance specific to pooled funds must take into account some notable hurdles that firms managing broadly distributed pooled funds face in complying with the GIPS standards:

1. Often, local laws and regulations govern what information can or cannot, and should or should not, be included in materials prepared for prospective pooled fund investors. Such material includes official offering documents (e.g., Key Investor Information Document, or KIID; mutual fund prospectus; and Product Disclosure Statement) that must be given to prospective pooled fund investors, as well as fund-specific marketing material. Some information required to be presented in a compliant presentation may be prohibited in some or all of the materials prepared for prospective pooled fund investors.
2. Local laws and regulations typically specify a methodology for the calculation and presentation of pooled fund performance based on net asset value (NAV), where the NAV represents the fund's per-share market value. Although a NAV-based method would generally satisfy the performance calculation requirements of the GIPS standards, the required methodology might produce results that have been reduced by fees and expenses beyond the minimum required to be deducted from net-of-fees performance under the GIPS standards. In addition, many firms prefer to present gross-of-fees rather than net-of-fees returns in a compliant presentation. Thus, the returns in a compliant presentation could differ from the returns in the official pooled fund document, such as a KIID or prospectus, even if the pooled fund is the sole constituent of the composite. Even with appropriate disclosures, the differences in returns from one document to another are likely to confuse prospective pooled fund investors.

²A compliant presentation is a presentation for a composite that contains all the information required by the GIPS standards and may also include additional information or supplemental information.

The pooled fund issues previously outlined add complexity in following the GIPS standards that deal with the materials distributed to prospective pooled fund investors. These issues, however, do not affect the firm's ability to comply with other requirements of the GIPS standards, such as the need to have all discretionary portfolios in a composite, the ability to produce a compliant presentation for all composites, and so forth. This Guidance Statement was created to provide clarity regarding the distribution of pooled fund materials for GIPS-compliant firms whose firm definition includes broadly distributed pooled funds. Clarity is especially needed to address what firms managing pooled funds must do to comply with Provision 0.A.9 of the GIPS standards.

This Guidance Statement benefits prospective pooled fund investors and firms, as well as local regulators, in a number of ways:

Investor Interests

- *Differences in the robustness of pooled fund regulation in various jurisdictions.* Although many countries have robust laws and regulations governing pooled funds, some countries do not. This Guidance Statement will help establish the required and recommended information to be provided to prospective pooled fund investors, unless such information is prohibited by local laws or regulations.
- *Investor confidence.* Investors will likely take it for granted that a firm that manages a pooled fund adheres to local regulatory requirements. Knowing that the firm also adheres to global standards may enhance investor confidence.
- *Comparability of pooled funds across various jurisdictions.* Regional initiatives, such as the Association of Southeast Asian Nations (ASEAN) collective investment scheme framework for cross-border offerings and the Asia Region Funds Passport (ARFP), are expected to increase the flow of investment products among participating countries. Investors' ability to compare and evaluate pooled funds from a number of countries will become more important as barriers to investing across borders decrease. Knowing that a firm adheres to the GIPS standards provides an additional point of comparison for investors when comparing various pooled funds with the same investment strategy.
- *Consistency of information across various fund families.* This benefit may help investors in comparing and evaluating funds from different fund families, which is increasingly important given the growing investments in retirement plans that use pooled funds.

Firm Interests

- This Guidance Statement provides clarity on the responsibilities of a compliant firm in fulfilling the requirements for distributing information to prospective pooled fund investors.
- Compliance with the GIPS standards may help firms compete in situations where investors and their financial advisers or consultants are comparing funds with the same investment strategy but are governed by different local regulations. For a firm located in a country where most, if not all, of the information required by this Guidance Statement is already mandated by local regulations, there is little or no additional information that it will need to prepare and present in its existing official pooled fund documents and fund-specific marketing material. For a firm located in a country where many of the required items are not mandated, however, including the required and recommended items may enable the firm to compete more effectively by allowing an easier comparison of its pooled fund(s) with the pooled funds of its peers globally.
- This Guidance Statement, which includes both requirements and recommendations, can help firms follow best practices relating to the marketing of broadly distributed pooled funds.

Regulatory Perspective

Regulators in many countries have indicated a desire for GIPS guidance specifically focused on pooled funds. Such guidance is especially relevant for countries with a largely retail investment market and few or no pooled fund regulations. In these countries, GIPS guidance for pooled funds can illustrate best practices for use in developing pooled fund regulations.

General Approach of the Guidance Statement on Broadly Distributed Pooled Funds

Given the complexity of local laws and regulations, it was determined that a minimalist approach would be taken in this Guidance Statement in order to

- encourage consistency and minimize conflicts between the GIPS standards and local laws and regulations; and
- consider the practicalities of a market that has many large global firms with hundreds of funds and fund share classes in different jurisdictions.

Defined Terms

Pooled Fund Net Return

A “pooled fund net return” is a time-weighted return³ that is net of all fees charged against the fund, including transaction costs, investment management fees, custody fees, legal expenses, and all other administrative and other costs. Sales charges and loads, which are typically charged on the front end⁴ or back end,⁵ should not be included in the calculation of the pooled fund net return, because regulators in many countries do not allow the inclusion of such charges. If sales charges and loads have been deducted during the calculation of the pooled fund net return, the treatment of such charges should be disclosed. As in all cases, if local laws and regulations conflict with this Guidance Statement regarding the calculation of returns, local laws and regulations must be followed.

Note that a pooled fund net return is likely to differ from the net return typically shown in a GIPS-compliant presentation. To calculate composite net returns, only investment management fees are required to be deducted from the gross return to arrive at the net return. Other fees and expenses may also be deducted, but doing so is not required.

Official Pooled Fund Document

The term “official pooled fund document” is used to designate the specific official offering document or documents required by local regulators to be presented to prospective pooled fund investors prior to or concurrent with their initial purchase of a pooled fund. In most if not all cases, such documents need to be filed with the regulatory body of the country or region where the pooled fund is being offered. Such documents may be focused on one fund or on multiple funds. Documents created primarily for current shareholders, such as an annual or semi-annual report, are not included in this definition.

Prospective Pooled Fund Investor

A “prospective pooled fund investor”, for the purpose of this Guidance Statement, is defined as any investor who is interested in investing, and eligible to invest, in the type of broadly distributed pooled funds targeted by this Guidance Statement.

Fund-Specific Marketing Material

The term “fund-specific marketing material” is used to designate material, in electronic or paper format, that is intended for prospective pooled fund investors who are considering investing in that specific pooled fund. Examples include fund fact sheets, fund profile sheets, and so on.

³Please refer to the requirements and recommendations applicable to portfolio-level return calculations in Section 1 (“Input Data”) and Section 2 (“Calculation Methodology”) of the 2010 edition of the GIPS standards.

⁴At the time of purchase of or subscription to the pooled fund.

⁵At the time of sale or redemption of the pooled fund.

Required Items

The following items are required to be included in at least one document that is intended to reach prospective pooled fund investors prior to or concurrent with their purchase of the fund. That document may be either (1) an official pooled fund document required by local regulators to be given to prospective pooled fund investors or (2) fund-specific marketing material prepared by the firm for prospective pooled fund investors. The required items may be shown on the same page or on different pages throughout the official pooled fund document and/or in the fund-specific marketing material.⁶ Note that many of the required items are also required by local regulators and are therefore already included in the official pooled fund document and/or fund-specific marketing material. In such cases, a firm may be required to add little or no new information to its official pooled fund document and/or fund-specific marketing material.

As always, the firm must comply with all applicable laws and regulations. If local laws or regulations prohibit a required item from being included in an official pooled fund document or in fund-specific marketing material, that item must be excluded. If a firm determines that it cannot satisfy all the requirements of this Guidance Statement because of regulatory conflicts, this determination must be documented in the firm's policies and procedures.

The required items include the following:

1. The description of the pooled fund's investment mandate, objective, or strategy. This description need not be lengthy but must convey the fund's key objectives to the prospective pooled fund investor.
2. An indication of the pooled fund's risk, as either a qualitative narrative or a quantitative metric, as mandated by the local regulators. If the local regulators do not require or prohibit a specific risk measure, the firm may choose an appropriate risk measure or qualitative disclosure to present. It is important that the firm choose a risk measure that a prospective pooled fund investor is likely to understand.
3. Pooled fund returns calculated according to the methodology and for the time periods required by local laws or regulations. If local laws or regulations do not mandate the methodology for calculating pooled fund returns, a pooled fund net return must be calculated and presented. If specific time periods are not mandated by local laws or regulations, returns must be presented consistent with one of the following options:
 - One-, three-, and five-year annualized returns through the most recent period, with the period-end date clearly identified. If the pooled fund has been in existence for less than five years, firms must also present the annualized returns since the pooled fund inception date. For example, if the pooled fund has been in existence for four years, firms must present one-, three-, and four-year annualized returns through the most recent period. Returns for periods of less than one year must not be annualized.
 - Period-to-date returns⁷ in addition to one-, three-, and five-year annualized returns through the most recent period, with the period-end date clearly identified. If the pooled fund has been in existence for less than five years, firms must also present the annualized returns since the pooled fund inception date. For example, if the pooled fund has been in existence for four years, firms must present one-, three-, and four-year annualized returns in addition to the period-to-date return. Returns for periods of less than one year must not be annualized.

⁶Please refer to the Appendix for examples of how the required items may be shown in official pooled fund documents or fund-specific marketing material.

⁷"Period-to-date return" is measured from the most recent annual period end to the current performance measurement period's end date. For example, if the most recent annual period end date is 31 December 2016 and the current performance measurement period's end date is 31 March 2017, the period-to-date return is the three-month return measured from 1 January 2017 to 31 March 2017.

- Period-to-date returns in addition to five years of annual period returns (or for each annual period since the pooled fund inception date if the pooled fund has been in existence for less than five years), with the annual period-end date clearly identified.

Additional time periods may also be shown.

If the official pooled fund document and the fund-specific marketing material are created for a specific pooled fund share class, returns must reflect the fees and expenses of that specific share class. If the official pooled fund document and the fund-specific marketing material are not created for a specific pooled fund share class, then fees and expenses reflected in the returns must be based on the share class with the maximum fee, or returns for all fund share classes must be presented. If the share class with the maximum fee is not a share class that is available for general distribution, then the firm must present the generally available share class with the highest fee.

4. The currency used to express performance. It must be clear to prospective pooled fund investors what currency is used to calculate fund returns. This information may be conveyed in words or by using the currency symbol. In some situations, local regulatory authorities assume that funds subject to local regulations are expressing performance in the local currency. In such cases, it is necessary to address the currency used to express performance only when it deviates from what is otherwise implicitly assumed.

Recommended Items

1. Benchmark total returns and the benchmark description.⁸

It is strongly recommended that appropriate benchmark total returns be included in the information provided to prospective pooled fund investors. If presented, the benchmark total returns must be for the same time periods used for pooled fund returns.

2. Sales Charges and Loads

- a. If a pooled fund has sales charges and loads, they should be disclosed in the fund's official pooled fund document and fund-specific marketing material.
- b. The treatment of sales charges or loads (that is, whether they have been deducted from fund returns) should be disclosed.

3. GIPS Pooled Fund Claim of Compliance

It is recommended that the following pooled fund claim of compliance be used in the official pooled fund document and in fund-specific marketing material.

“XXX, the firm managing this pooled fund, claims compliance with the Global Investment Performance Standards (GIPS®). For more information about the GIPS standards, please visit www.gipsstandards.org.”

Note that this claim of compliance differs from both the claim of compliance required to be disclosed in compliant presentations and the claim of compliance specified in the GIPS Advertising Guidelines. Although inclusion of this claim of compliance in pooled fund materials is viewed as best practice, it is not required.

⁸A benchmark description is general information regarding the investments, structure, and/or characteristics of the benchmark. The description must include the key features of the benchmark or the name of the benchmark for a readily recognized index or other point of reference.

If the official name of the firm that manages the pooled fund differs from the name of the firm that claims compliance with the GIPS standards, or if the firm as defined for GIPS compliance differs from the legal entity that manages the pooled fund, the claim of compliance, if presented, should also include the firm definition.

Offer and Provision of a Compliant Presentation

Owing to the hurdles that firms managing broadly distributed pooled funds face in complying with the GIPS standards as highlighted in the “Purpose of the Guidance Statement on Broadly Distributed Pooled Funds” section, the offer of a compliant presentation in an official pooled fund document and the fund-specific marketing material is neither required nor recommended. Firms are not required to provide a compliant presentation to prospective pooled fund investors. They have met their obligation under Provision 0.A.9 if all the required items previously indicated are included in an official pooled fund document that is required by local regulators to be presented to prospective pooled fund investors or in fund-specific marketing material that is intended for prospective pooled fund investors. Upon request, however, firms must provide the compliant presentation for the composite in which the fund is included to a prospective pooled fund investor.

Safe Harbor Provision

Certain legal and/or regulatory regimes may require firms to provide prospective pooled fund investors with materials that include the four items required by this Guidance Statement. In such cases, CFA Institute will review the legal and/or regulatory requirements and determine if they qualify for inclusion under the safe harbor provision. If so, firms that fall under these jurisdictions will be considered to have met the requirements of Provision 0.A.9 (regarding the provision of a compliant presentation) and this Guidance Statement. A firm may request a review of its local laws and regulations to determine if it may use the safe harbor provision. Requests should be directed to gips@cfainstitute.org.

Other Information

Information in addition to the required and recommended items is likely to be mandated by local laws or regulations. Firms are encouraged to give as full a picture of the pooled fund as possible, going beyond the required items listed in this Guidance Statement. In all cases, firms must adhere to the principles of the GIPS standards—fair representation and full disclosure—when preparing materials for a pooled fund.

Effective Date

Firms are required to apply this guidance beginning 1 January 2018. Firms are encouraged, but not required, to apply this guidance prior to the effective date.

APPENDIX

The following examples, which are current as of the effective date of this Guidance Statement, demonstrate how the required items may be presented in the official pooled fund document and in fund-specific marketing material. Because the inclusion of a benchmark is strongly recommended, although not required, the Appendix includes benchmarks in its examples. Please note that the required items may be shown on the same page or on different pages throughout a particular official pooled fund document or fund-specific marketing material as long as the document includes all the required items.

Example 1: Official Pooled Fund Document—Key Investor Information Document (KIID)

KEY INVESTOR INFORMATION

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

<p>World Technology Fund</p> <p>A sub-fund of Funds</p>	<p>Class A2 EUR</p> <p>ISIN: </p> <p>Management Company: (Luxembourg) S.A.</p>
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Objectives and Investment Policy

- ▶ The Fund aims to maximise the return on your investment through a combination of capital growth and income on the Fund's assets.
- ▶ The Fund invests globally at least 70% of its total assets in the equity securities (e.g. shares) of companies the main business of which is in the technology sector.
- ▶ The investment adviser has discretion to select the Fund's investments and in doing so may take into consideration the MSCI AC World Information Technology Index.
- ▶ Recommendation: This Fund may not be appropriate for short-term investment.

- ▶ Your shares will be non-distributing (i.e. dividend income will be included in their value).
- ▶ The Fund's base currency is US Dollar. Shares for this ISIN are bought and sold in Euro. The Fund's and share class' base currency might be in a different currency.
- ▶ You can buy and sell your shares daily. The minimum initial investment for this share class is US\$5,000 or currency equivalent.

Risk and Reward Profile

Lower risk

Typically lower rewards

←—————→

Higher risk

Typically higher rewards

1

2

3

4

5

6

7

- ▶ This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- ▶ The risk category shown is not guaranteed and may change over time.
- ▶ The lowest category does not mean risk free.
- ▶ The Fund is rated six due to the nature of its investments which include the risks listed below. These factors may impact the value of the Fund's investments or expose the Fund to losses.

- Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.
- The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.

▶ Particular risks not adequately captured by the risk indicator include:

- Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

For more information on risks, please see the Fund's prospectus, which is available at .

← Description of the pooled fund's investment objective

An indication of the pooled fund's risk ←

Charges

The charges are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures. In some cases you might pay less. Please refer to your financial advisor or the distributor for the actual entry and exit charges.

* Subject to a charge of up to 2% paid into the Fund where the Manager suspects excessive trading by an investor.

The ongoing charges figure is based on expenses for the twelve month period ending 30 September 2015. This figure may vary from year to year. It excludes portfolio trade-related costs, except costs paid to the custodian and any entry/exit charge paid to an underlying collective investment scheme (if any).

** To the extent the Fund undertakes securities lending to reduce costs, the Fund will receive 62.5% of the associated revenue generated and the remaining 37.5% will be received by as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Fund, this has been excluded from the ongoing charges.

For more information on charges, please see the Fund's prospectus, which is available at

One-off charges taken before or after you invest	
Entry Charge	5.00%
Exit Charge	None*

This is the maximum that might be taken out of your money before it is invested or before proceeds of your investments are paid out.

Charges taken from the Fund over each year	
Ongoing Charges	1.83%**
Charges taken from the Fund under certain conditions	
Performance Fee	None

Past Performance

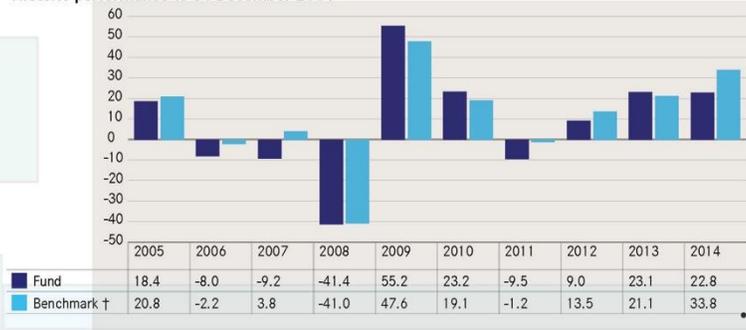
Past performance is not a guide to future performance.

The chart shows the Fund's annual performance in EUR for each full calendar year over the period displayed in the chart. It is expressed as a percentage change of the Fund's net asset value at each year-end. The Fund was launched in 1995. The share class was launched in 1995.

Performance is shown after deduction of ongoing charges. Any entry/exit charges are excluded from the calculation.

† Benchmark: MSCI World All Country Information Technology net Index in EUR (EUR). Prior to 1 January 2010 the Fund used a different benchmark which is reflected in the benchmark data.

Historic performance to 31 December 2014



Practical Information

- ▶ The custodian of the Fund is Limited, Luxembourg Branch.
- ▶ Further information about the Fund can be obtained from the prospectus and the latest annual and half-yearly reports of the Fund. These documents are available free of charge in English and certain other languages. These can be found, along with other information, such as share prices, on the website of the Fund or by calling the International Investor Servicing team on +352 24 46 46 46.
- ▶ Investors should note that the tax legislation that applies to the Fund may have an impact on the personal tax position of your investment in the Fund.
- ▶ The Fund is a sub-fund of an umbrella structure comprising different sub-funds. This document is specific to the Fund and share class stated at the

beginning of this document. However, the prospectus, annual and half-yearly reports are prepared for the umbrella.

- ▶ Investors may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus.
- ▶ Further information about other share classes can be found in the prospectus.
- ▶ Under Luxembourg law, the Fund has segregated liability between its sub-funds (i.e. the Fund's assets will not be used to discharge the liabilities of other sub-funds within the umbrella structure). In addition, the Fund's assets are held separately from the assets of other sub-funds.
- ▶ Investors may switch their shares in the Fund for shares in another sub-fund within the umbrella structure subject to meeting certain conditions as set out in the prospectus.

→ Currency used to express performance

Pooled Fund Returns ←

Benchmark

1. Name and/or description
2. Total returns for the same periods as the pooled fund ←

Example 2A: Official Pooled Fund Document—Summary Prospectus

STOCK FUND

INVESTMENT OBJECTIVES
The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.

FEES AND EXPENSES
This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

SHAREHOLDER FEES (fees paid directly from your investment)	
Sales charge (load) imposed on purchases	None
Deferred sales charge (load)	None
Sales charge (load) imposed on reinvested distributions	None
Redemption fee	None
Exchange fee	None

ANNUAL FUND OPERATING EXPENSES (expenses that you pay each year as a percentage of the value of your investment)	
Management fees	.50%
Distribution and/or service (12b-1) fees	None
Other expenses (transfer agent, custody, accounting, legal, etc.)	.02%
Total Annual Fund Operating Expenses	.52%

Example: This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.
The example assumes that:

- You invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those time periods;
- Your investment has a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, under these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$53	\$167	\$291	\$653

PORTFOLIO TURNOVER
The Fund incurs transaction costs, such as commissions, when it buys and sells securities (or "turns over" the portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These transaction costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 17% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES
The Fund invests primarily in a diversified portfolio of equity securities. Under normal circumstances, the Fund will invest at least 80% of its total assets in equity securities, including common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks. The Fund may invest up to 20% of its total assets in U.S. dollar-denominated securities of non-U.S. issuers traded in the United States that are not in the S&P 500 Index. The Fund may enter into forward currency contracts or currency futures contracts to hedge foreign currency exposure.
The Fund typically invests in medium-to-large well established companies based on standards of the applicable market. In selecting investments, the Fund typically invests in companies that, in its opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. The Fund focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends. Various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, and the reputation, experience, and competence of a company's management are weighed against valuation in selecting individual securities. The Fund also considers the economic and political stability of the country where the issuer is located and the protections provided to shareholders.

PRINCIPAL RISKS OF INVESTING
You could lose money by investing in the Fund, and the Fund could underperform other investments. You should expect the Fund's share price and total return to fluctuate within a wide range. The Fund's performance could be hurt by:

- *Manager risk.* The Fund's opinion about the intrinsic worth of a company or security may be incorrect or the market may continue to undervalue the company or security. The Fund may not make timely purchases or sales of securities for the Fund.
- *Equity risk.* Equity securities generally have greater price volatility than debt securities. Equity securities may decline in value because of changes in the actual or perceived financial condition of their issuers or other events affecting their issuers.
- *Market risk.* Prices may increase or decrease, sometimes suddenly and unpredictably, due to general market conditions.
- *Liquidity risk.* The Fund may not be able to purchase or sell a security in a timely manner or at desired prices or achieve its desired weighting in a security.
- *Derivatives risk.* Investing with derivatives, such as forward currency contracts and equity index futures, involves risks additional to those associated with investing directly in securities. The value of a derivative may not correlate to the value of the underlying instrument to the extent expected. Derivative transactions may be volatile, and can create leverage, which could cause the Fund to lose more than the amount of assets initially contributed to the transaction, if any. The Fund may not be able to close a derivatives position at an advantageous time or price.

→ Description of the pooled fund's investment objective

← An indication of the pooled fund's risk

CFA Institute

Guidance Statement on Broadly Distributed Pooled Funds

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For over-the-counter derivatives transactions, the counterparty may be unable or unwilling to make required payments and deliveries, especially during times of financial market distress.

- **Non-U.S. investment risk.** Securities of non-U.S. issuers (including ADRs) may be less liquid, more volatile, and harder to value than U.S. securities. Non-U.S. issuers may be subject to political, economic, or market instability, or unfavorable government action in their local jurisdictions. There may be less information publicly available about non-U.S. issuers and their securities and those issuers may be subject to lower levels of government regulation and oversight. These risks may be higher when investing in emerging market issuers. Certain of these risks may also apply to securities of U.S. issuers with significant non-U.S. operations.
- **Non-U.S. currency risk.** Foreign currencies may decline relative to the U.S. dollar, which reduces the unhedged value of securities denominated in or otherwise exposed to those currencies. may not hedge or may not be successful in hedging the Fund's currency exposure.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

PERFORMANCE INFORMATION

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows changes in the Fund's returns from year to year. The table shows how the Fund's average annual total returns for one, five, and ten years compare to those of a broad measure of market performance.

The Fund's past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future. Visit the Fund's website at _____ or call _____ for current performance figures.



Highest/Lowest quarterly results during the time period were:
 Highest: 23.10% (quarter ended June 30, 2009)
 Lowest: -23.33% (quarter ended December 31, 2008)

AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED 12/31/2014

(In USD)

Stock Fund	1 Year	5 Years	10 Years
Return before taxes	10.43%	15.56%	7.13%
Return after taxes on distributions	9.63	15.16	6.51
Return after taxes on distributions and sale of Fund shares	6.51	12.56	5.79
S&P 500 Index (reflects no deduction for expenses or taxes)	13.69	15.46	7.68

After-tax returns are calculated using the historical highest individual federal marginal income tax rates, but do not reflect the impact of state or local taxes. Actual after-tax returns may differ depending on your individual circumstances. After-tax return figures do not apply to you if you hold your Fund shares through a tax-deferred arrangement such as a 401(k) plan or an individual retirement account.

→ An indication of the pooled fund's risk (Continued from previous page)

→ Benchmark

→ 1. Name and/or description

→ 2. Total returns for the same periods as the pooled fund

← Pooled Fund Returns

← Currency used to express performance

Average Annual Total Return¹

(In USD)

For periods ended June 30, 2015	1 Year	3 Years	5 Years	10 Years	20 Years
Stock Fund	4.55%	20.43%	17.80%	7.20%	11.00%
S&P 500 Index	7.43	17.31	17.35	7.90	8.91

Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's website at [www.fund.com](#) for current month-end performance figures.

The Fund had a total return of 2.6% for the second quarter of 2015, compared to 0.3% for the S&P 500 Index. For the six months ended June 30, 2015, the Fund had a total return of 1.4%, compared to 1.2% for the S&P 500. At quarter end, the Fund had net assets of \$59.9 billion with net cash of 0.7%.

MARKET COMMENTARY

During the second quarter, the S&P 500 rose to a record high in May before retreating to end the quarter up slightly. After moderating in the first quarter, U.S. economic activity expanded in recent months: labor market conditions improved, household spending grew modestly, and the housing sector reached multi-year highs in existing home sales and building permits. However, these positive developments were tempered by concerns about Greece's sovereign debt crisis and potential exit from the Eurozone. The escalating situation in Greece could continue to create market volatility.

Indicative of a stronger U.S. economy, longer-term U.S. Treasury rates rose substantially in the second quarter: the 10-year U.S. Treasury yield increased from 1.9% to 2.4%. Despite the rise, interest rates remained low in the United States and around the world compared to their historical averages. The U.S. Federal Reserve (Fed) reaffirmed its target range for the federal funds rate and its intention to raise rates slowly. Many investors now expect the Fed to begin increasing rates in the second half of 2015.

Despite trading above their long-term average, U.S. equity market valuations remain reasonable in our opinion: the S&P 500 traded at 17.5 times forward estimated earnings with a 2.1% dividend yield at quarter end. Given higher starting valuations, we continue to have a more tempered outlook for long-term equity returns. Corporate balance sheets and cash flows remain strong. Over our three- to five-year investment horizon, we continue to believe the Fund's portfolio is well positioned to benefit from global growth opportunities and a normalization of interest rates. Acknowledging that markets can be volatile in the short term, we encourage shareholders to remain focused on the long term.

SECOND QUARTER PERFORMANCE REVIEW

The Fund outperformed the S&P 500 by 2.3 percentage points for the quarter.

KEY CONTRIBUTORS TO RELATIVE RESULTS

- The Fund's average overweight position (25% versus 16%) and holdings in the Financials sector (up 8% compared to up 2% for the S&P 500 sector) contributed significantly to results. Capital One (up 12%), Goldman Sachs (up 11%), and Bank of America (up 11%) performed well.
- The Fund's average overweight position (12% versus 4%) and holdings in the Media industry (up 7% compared to up 5% for the S&P 500 industry) helped returns. Time Warner Cable (up 19%) was particularly strong.
- Additional contributors included Celanese (up 29%), Cigna (up 25%), and Microsoft (up 9%).

KEY DETRACTORS FROM RELATIVE RESULTS

- No sector detracted notably during the quarter. However, certain holdings were weak, including ADT Corp. (down 19%), Wal-Mart (down 13%), Corning (down 13%), NetApp (down 11%), and TE Connectivity (down 10%).

YEAR-TO-DATE PERFORMANCE REVIEW

The Fund outperformed the S&P 500 by 0.1 percentage points year to date.

KEY CONTRIBUTORS TO RELATIVE RESULTS

- Returns from holdings in the Financials sector (up 5% compared to flat for the S&P 500 sector) contributed to results. Charles Schwab (up 9%) and Capital One (up 8%) were particularly strong.
- The Fund's average overweight position (18% versus 15%) and holdings in the Health Care sector (up 12% compared to up 10% for the S&P 500 sector) aided performance. Key contributors included Cigna (up 57%), UnitedHealth Group (up 22%), and Sanofi (up 11%).
- The Fund's underweight position in the Utilities sector (no holdings versus average 3% for the S&P 500 sector), the weakest sector of the market (down 11%), helped results.
- Additional contributors included Celanese (up 21%) and Time Warner Cable (up 19%).

KEY DETRACTORS FROM RELATIVE RESULTS

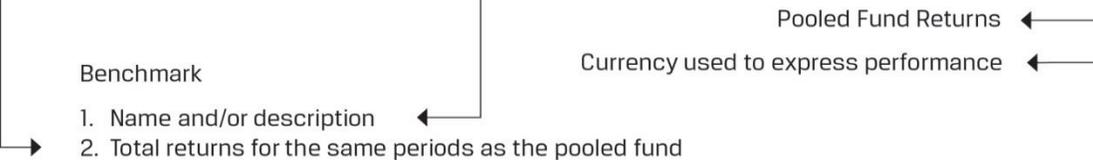
- The Fund's average overweight position (23% versus 20%) and holdings in the Information Technology sector (down 6% compared to up 1% for the S&P 500 sector) hurt returns. Hewlett-Packard (down 24%), NetApp (down 23%), and EMC (down 10%) performed poorly.
- Returns from holdings in the Consumer Discretionary sector (up 3% compared to up 7% for the S&P 500 sector) detracted from results. Twenty-First Century Fox (down 15%) was particularly weak.
- Additional detractors included National Oilwell Varco (down 25%), Wal-Mart (down 16%), and Apache (down 7%).

¹The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends but, unlike Fund returns, do not reflect fees or expenses. The S&P 500 Index is a market capitalization-weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market.

S&P 500[®] is a trademark of McGraw Hill Financial.

Before investing in any Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [www.fund.com](#). Please read the prospectus and summary prospectus carefully before investing.

06/15 SF FS



Example 3: Official Pooled Fund Document—Product Key Facts

[Issuer's name and logo]
Issuer

PRODUCT KEY FACTS

[Product name and type, e.g. ABC [●] Index Fund]
[Date]

This is a Mainland fund authorized for public offering in Hong Kong pursuant to Mainland-Hong Kong Mutual Recognition of Funds arrangement.

***This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.***

Quick facts

Fund Manager:	[●]	
<i>[Include delegation (if any) - specify name and location of delegate and whether delegation is internal or external]</i>		
Custodian:	[●]	
Ongoing charges over a year[#]:	Class X [●]%	Class Y [●]%
	[●]	Underlying index: [●]
[Estimated annual tracking difference] or [Tracking difference of the last calendar year]:	[●]	Dividend policy: [●]
Financial year end of this fund:	[●]	Min. investment: \$[●] initial, \$[●] additional
Dealing frequency	[●]	Base currency: [●]

[#] The ongoing charges figure is based on expenses for the year ended [date]. This figure may vary from year to year. *[Please disclose the basis of calculating the ongoing charges including, for example, when estimates are used due to material change(s), rebates or fee waivers.]*

[Note 1: The fund manager of Mainland funds may delegate investment management function to a party operating within the Mainland. However, a Mainland fund manager cannot delegate its investment management functions to a party operating outside the Mainland.]

[Note 2: Where the fund may pay dividend out of capital, please refer to the disclosure requirements in Q34 to Q34C of the FAQ on Code on Unit Trusts and Mutual Funds.]

What is this product?

This is a fund constituted under the laws of the Mainland China and its home regulator is the China Securities Regulatory Commission.

Objectives and Investment Strategy

Objectives

The investment objective of the fund is [to provide investment results that, before fees and expenses, closely correspond to the performance of the index].

Strategy

The fund manager will [(please specify the investment strategy of the fund) e.g. use a full replication strategy by investing all or substantially all of its assets in the constituents of the index, broadly in proportion to the respective weightings of the constituents / use a representative sampling strategy by investing in a portfolio featuring high correlation with the index and the fund manager may invest in other securities that are not included in the index etc.]

[Note 1: Where the fund may invest in financial derivative instruments ("FDI"), please disclose the types of FDI used and that the fund may invest in FDI for hedging purpose only.]

[Note 2: Please disclose whether the fund may engage in stock lending, repo transactions, reverse repo transactions or other similar transactions and the purpose and extent of such transactions (e.g. up to X% of NAV). If the fund engages substantially (e.g. more than 30% of NAV) in such transactions, please also disclose the related risks.]

1

→ Description of the pooled fund's investment objective

Index

[Please include a brief description of (i) the market / sector the index aims to represent, and (ii) the characteristics and general composition of the index, and (where applicable) concentration in any economic sectors and/or issuers.]

The fund manager and its connected persons are [independent of the index provider (or if not, please specify the means by which possible conflicts of interests will be addressed)].

[Please include details of top 10 index constituents as of a date within a month of this Product Key Facts Statement.]

Index Constituent	Weighting in index	Index Constituent	Weighting in index
1. AAA Company	[●]%	6. FFF Company	[●]%
2. BBB Company	[●]%	7. GGG Company	[●]%
3. CCC Company	[●]%	8. HHH Company	[●]%
4. DDD Company	[●]%	9. JJJ Company	[●]%
5. EEE Company	[●]%	10. KKK Company	[●]%

The index methodology and the latest index information and other important news of the index are available from the [index] website at [●].

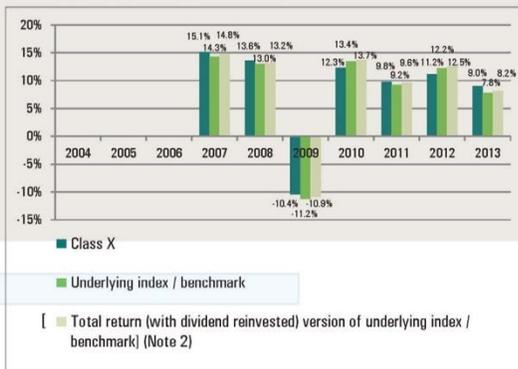
What are the key risks?

Investment involves risks and there is no guarantee of the repayment of principal. Please refer to the offering document for details including the risk factors.

[●]

[Note: Please refer to the FAQ published by the SFC.]

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the [fund]/[share class] increased or decreased in value during the calendar year being shown. Performance data has been calculated in [RMB] including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance. [This note is not required if performance data is available in all the relevant years.]
- Fund launch date: 2003
- [[Share class X] launch date: 2006]

[Note 1: A bar showing the performance of the index for the period shall be included in the chart alongside each bar showing the fund's past performance.]

[Note 2: Where the fund tracks a price return index, performance of total return index (where it is available) should be shown in addition to the performance of the price return index when presenting the fund's past performance.]

[Note 3: Where there is material change(s), the period prior to such material change(s) shall continue to be shown and be indicated on the chart and labeled with a clear and prominent warning that the performance was achieved under circumstances that no longer apply with notes briefly explaining the nature of the material change(s).]

→ An indication of the pooled fund's risk

→ Benchmark

Pooled Fund Returns ←

Currency used to express performance ←

1. Name and/or description
2. Total returns for the same periods as the pooled fund

Example 4: Fund-Specific Marketing Material—Monthly Fund Update

Global Fixed Income Plus Portfolio (Hedged)

A sub-fund of [Redacted] Funds, SICAV

0815

Monthly Fund Update

Investment Objective⁽¹⁾

The Portfolio seeks to provide income and capital growth over the longer term. For full investment objective and policy details see the Prospectus.

Past performance does not guarantee future results, which may vary. The data is based on performance net of ongoing fees at sub-fund level, assuming the reinvestment of all distributions. Shareholders may incur additional costs for purchasing, holding or selling the shares as disclosed in the fund's prospectus (e.g. sales charges, custody fees) which may reduce returns and are not reflected in the performance data provided.

Financial Information⁽²⁾

Net Asset Value (NAV) ⁽³⁾	EUR	10.99
Total Net Assets (m) (EUR)	EUR	416
Current Duration of Portfolio (years) ⁽⁴⁾		6.78
Current Duration of Reference Benchmark (years) ⁽⁴⁾		6.31
Yield To Maturity of Portfolio (%)		2.21

Fund Characteristics

Currency - Class R Shares (Acc.)	EUR
Inception Date - Class R Shares (Acc.)	03-Dec-12
Fund Domicile	Luxembourg

Performance (Indexed)

This is an actively managed fund that is not designed to track its reference benchmark. Therefore the performance of the fund and the performance of its reference benchmark may diverge. In addition stated reference benchmark returns do not reflect any management or other changes to the fund, whereas stated returns of the fund do.

Performance (%)

	31-Aug-10	31-Aug-11	31-Aug-12	31-Aug-13	31-Aug-14	31-Aug-15
Fund (EUR)	-	-	-	8.1	1.1	
Index	-	-	-	6.7	2.1	
Morningstar Sector av.	-	-	-	6.3	-0.4	
Morningstar Quartile	-	-	-	1	2	

Calendar Year Performance (%)

	2010	2011	2012	2013	2014	2015
Fund (EUR)	-	-	-	2.3	6.1	
Index	-	-	-	-0.3	7.6	

Fund Data

No. of holdings	880
% in top 10	22
Historical Volatility Portfolio - 1 yr	2.03
R ² - 1 yr	0.56
Beta - 1 yr	0.50
Excess returns - 1 yr	-0.95
Historical Tracking error - 1 yr	2.01

Fund Facts

ISIN - Class R Shares (Acc.)	
Dealing and valuation	Daily
Reporting year end	30 November
Reference Benchmark	Barclays Global Aggregate Bond Index Hedged to EUR
Fund manager	Asset Management I Fixed Income Team
Settlement	T + 3
EU Savings Directive	In Scope
Fund Company	SICAV
Initial Sales Charge - up-to (%)	5.5
Management Fee (%)	0.50
Performance Fee (%)	0.00
Total Expense Ratio (%) ⁽⁵⁾	0.75

Performance Summary (%)

	Since Launch	1 Mth	3 Mths	YTD	Annualised 1 Yr
Class R Shares (Acc.) ⁽⁶⁾	9.90	0.18	(0.09)	0.37	1.10
Barclays Global Aggregate Bond Index Hedged to EUR ⁽⁶⁾	7.56	(0.30)	(0.61)	0.22	2.05
Global Bond - EUR Hedged Sector av. ⁽⁶⁾	14.94	(0.71)	(1.43)	(0.85)	(0.40)
Quartile Position in Sector ⁽⁶⁾	3	1	1	1	2

Sector Allocation (%)

38.2%	Governments
22.1%	Corporates
14.2%	Mortgage Backed Securities
10.0%	Asset Backed Securities
4.6%	Quasi-Governments
2.1%	Emerging Market Debt
1.5%	High Yield
0.7%	Municipals
0.4%	Covered Bonds
3.7%	Cash
1.4%	Derivatives

50.9%	Governments
17.6%	Corporates
12.2%	Mortgage Backed Securities
0.2%	Asset Backed Securities
9.6%	Quasi-Governments
6.4%	Emerging Market Debt
0.2%	High Yield
0.0%	Municipals
2.8%	Covered Bonds
0.0%	Cash
0.0%	Derivatives

Credit Allocation (%)

Country Bond Allocation (%)⁽⁷⁾

	Global Fixed Income Plus Portfolio (Hedged)	Barclays Global Aggregate Bond Index Hedged to EUR
US	42.9	44.8
Eurozone	31.0	24.4
Japan	13.3	15.9
UK	7.1	6.3
Canada	2.6	2.5
Denmark	0.3	0.3
Sweden	0.2	0.5
Australia	0.1	1.2
Norway	0.0	0.1
Other	2.5	4.0

Please see Additional Notes. All performance and holdings data as at 31-August-15.

⁽¹⁾ Please note that as of 24th June 2013 the fund has changed its pricing policy from bid basis to mid price. Investors should note that this may have a positive impact on fund NAV for that day and on its reported performance for any time period that includes that day. ⁽²⁾ Please note that the Global Fixed Income Plus Portfolio (Hedged) currently operates with income equalisation. The current income equalisation figures for the Global Fixed Income Plus Portfolio (Hedged) are available on request from our Shareholder Services team on investor@morningstar.com. Investors may want to discuss with their tax adviser the impact, if any, of income equalisation on them. ⁽³⁾ The Net Asset Value represents the net asset of the Portfolio (or divided) divided by the total number of shares. ⁽⁴⁾ Duration is a method of determining a bond's price sensitivity, given changes in interest rates. The duration for fixed income securities is calculated by determining the price movements due to a 100bps change in market interest rates. This calculation incorporates the change in value of any embedded options which exist. ⁽⁵⁾ Portfolio returns are shown net of applicable ongoing fees within the portfolio, with dividends reinvested using the ex-dividend NAV. These returns are for comparison of performance against specified index. As the investor may be liable to other fees, charges and taxes, they are not meant to provide a measure of actual return to investors. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares. ⁽⁶⁾ The Barclays Global Aggregate Bond Index is quoted at month-end with income reinvested and, in contrast to the Portfolio, is shown without the deduction of any expenses. ⁽⁷⁾ The Morningstar sector average figures are calculated using all open funds available in the universe at the indicated time period. The number of funds in a Morningstar sector varies over time as new funds are launched and funds close. Therefore the number of funds in a Morningstar sector at a portfolio's launch may be less, or may be more, over shorter time periods. Source: Morningstar © 2015 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. ⁽⁸⁾ Included in the calculation of the Total Expense Ratio (TER) are the fees of the Investment Advisor, the Distributor and certain ongoing expenses as described in further detail in the KIID. Dealing commissions and market costs will, however, not be included in the calculation of the TER. The TER of the "R" Shares will also include a Contingent Deferred Sales Charge (CDSC) as described in the Prospectus. ⁽⁹⁾ Bonds denominated by currency of issue.

→ Description of the pooled fund's investment objective

→ Benchmark

1. Name and/or description
2. Total returns for the same periods as the pooled fund

→ Currency used to express performance

Pooled Fund Returns ←

Certain Material Risks

An investment in the Shares of the Portfolio does not constitute a complete investment programme. The following risk considerations detail certain risks with an investment in the Portfolio as described in the KIID but is not a comprehensive summary of all of the risks associated with an investment in the Portfolio. For more detailed information on the risks associated with an investment in the Portfolio, please refer to the section in the Prospectus entitled "Risk Considerations".

- **Market risk** - the value of assets in the Portfolio is typically dictated by a number of factors, including the confidence levels of the market in which they are traded.
- **Contingent Convertible ("CoCo") Bond Risk** - investment in this particular type of bond may result in material losses to the Portfolio based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value.
- **Operational risk** - material losses to the Portfolio may arise as a result of human error, system and/or process failures, inadequate procedures or controls.
- **Liquidity risk** - the Portfolio may not always find another party willing to purchase an asset that the Portfolio wants to sell which could impact the Portfolio's ability to meet redemption requests on demand.
- **Exchange rate risk** - changes in exchange rates may reduce or increase the returns an investor might expect to receive independent of the performance of such assets. If applicable, investment techniques used to attempt to reduce the risk of currency movements (hedging), may not be effective. Hedging also involves additional risks associated with derivatives.
- **Custodian risk** - insolvency, breaches of duty of care or misconduct of a custodian or sub-custodian responsible for the safekeeping of the Portfolio's assets can result in loss to the Portfolio.
- **Interest rate risk** - when interest rates rise, bond prices fall, reflecting the ability of investors to obtain a more attractive rate of interest on their money elsewhere. Bond prices are therefore subject to movements in interest rates which may move for a number of reasons, political as well as economic.
- **Credit risk** - The failure of a counterparty or an issuer of a financial asset held within the Portfolio to meet its payment obligations will have a negative impact on the Portfolio.
- **Derivatives risk** - derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.
- **Counterparty risk** - a party that the Portfolio transacts with may fail to meet its obligations which could cause losses.
- **High yield risk** - high-yield instruments, meaning investments which pay a high amount of income generally involve greater credit risk and sensitivity to economic developments, giving rise to greater price movement than lower yielding instruments.
- **Emerging markets risk** - emerging markets are likely to bear higher risk due to lower liquidity and possible lack of adequate financial, legal, social, political and economic structures, protection and stability as well as uncertain tax positions.
- **Leverage risk** - the Portfolio may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged Portfolio may result in large fluctuations in the value of the Portfolio and therefore entails a high degree of risk including the risk that losses may be substantial.

2

→ An indication of the pooled fund's risk